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SUBJECT: PRESS REVEALS VIETNAM'S NEW CABINET

REF: HANOI 1312

Summary

¶1. (SBU) On August 2, Vietnam's National Assembly (NA) will officially announce the make-up of Prime Minister Nguyen Tan Dzung's Cabinet, approve the PM's plan to increase the number of Deputy Vice Ministers from three to five, and reduce the number of government ministries from 26 to 22, a move the GVN claims will "streamline administrative procedures." The names of the new ministers were revealed by the state press a day early, with ministers at National Defense, Public Security, Foreign Affairs, Planning and Investment, Finance, Transportation, Construction, Science and Technology, Education and Training, and the Government Inspectorate remaining the same. Some contacts expressed initial reservations about the selection of the new Supreme People's Court Chief Justice, who hails from the Ministry of Public Security. The changes in government structure -- coupled with earlier decisions to reduce Party interference in policy implementation -- appear to continue the trend of strengthening PM Dzung's hand relative to that of Vietnam's other top leaders. This remains to be seen, however, as a number of powerful figures unrelated to Dzung survived the shakeup. We will have to see how powers are distributed among the new set of players, which will take some time. End Summary.

Hanoi's New (and Old) Faces

¶2. (SBU) One day ahead of the National Assembly's planned announcement, the Vietnamese state-press on August 1 revealed who will serve in Prime Minister Nguyen Tan Dzung's Cabinet. The Communist Party's Central Committee, reportedly after receiving the Politburo's recommendations, put forth its own proposals for the Cabinet at last week's Plenum (Reftel). After formally endorsing these recommendations, the National Assembly (NA) will announce the Cabinet line-up tomorrow. It also will approve PM Dzung's plan to reduce the number of government ministries from 26 to 22, a move the GVN claims will "streamline administrative procedures."

¶3. (SBU) The NA will sign off on merging the Ministry of Fisheries into the Ministry of Agriculture and Rural Development; combining the Industry and Trade Ministries; rolling the Department for Sports and Physical Training and the National Administration of Tourism into the Ministry of Culture, Sports and Tourism; and creating a Ministry of Information and Communication that is the combination of the Ministry of Posts and Telematics and offices for management of the press and publication-related issues of the Ministry of Culture and Information.

¶4. (SBU) The NA has already given its formal stamp of approval to Prime Minister Nguyen Tan Dzung, President Nguyen Minh Triet and NA Chairman Nguyen Phu Trong by re-electing them in their respective positions. On August 2, it will announce that ministry heads who will remain unchanged include National Defense, Public Security, Foreign Affairs, Planning and Investment, Finance, Transportation,

Construction, Science and Technology, Education and Training, and the Government Inspectorate. New ministers will take over at the Ministry of Culture, Sports and Tourism, Natural Resources and Environment, the Ministry of Industry and Commerce, the Ministry of Information and Communications, Ministry of Interior, Ministry of Justice, Ministry of Labor, War Invalids and Social Affairs, Ministry of Public Health, at the Committee for Ethnic Affairs, as State Bank Governor and as Minister-Chairman of the Office of the Government.

Adding Deputy Prime Ministers

¶ 15. (SBU) The NA will also bless a slate of five deputy prime ministers, an increase of two from the previous administration. The NA's Nguyen Minh Thuyen said that adding two deputy prime premiers is an important element in GVN efforts to promote administrative reform. The three current incumbents will remain. These are permanent Deputy PM Nguyen Sinh Hung; Deputy PM Pham Gia Khiem, who will double as Foreign Minister; and Deputy PM Truong Vinh Trong, who will continue to preside over the GVN's Anti-Corruption Steering Committee. The newcomers are Deputy PM Hoang Trung Hai, who will be in charge of economic affairs; and Deputy PM Nguyen Thien Nhan, who will be responsible for cultural and social affairs and double as minister of education and training. Hung, Khiem and Trong are Politburo members, and are not known to be beholden to Dzung. Newcomer Hai -- at 48 -- will be Vietnam's youngest ever deputy premier. Nhan is a former Fulbright scholar and is regarded by many inside and outside the government as one of the most forward thinking and competent of the new team. These two are presumed to owe their positions to Dzung, which is sparking some of the current analysis that Dzung has strengthened his hand.

Changes Draw Mixed Reaction

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¶ 16. (SBU) NA Deputy Director Dzung and NA Vice Chairman Dzung praised the new cabinet line-up. Deputy Director Dzung said that adding two deputy prime ministers will help PM Dzung focus more on "strategic issues." In the past, the GVN had five deputy prime ministers, so the addition of two more simply restores this past model, he added.

¶ 17. (SBU) A knowledgeable observer at the Supreme People's Court (SPC) told us July 31 that Truong Hoa Binh, the new SPC Chief Justice, was a "last-minute choice" imposed on the government by the Party. Strong pressure from the Politburo-appointed Party Committee at the National Assembly was brought to bear to replace Nguyen Van Hien as Chief Justice. Party officials were reportedly angered by Hien's "reckless comments" last year before the NA which were critical of the qualifications of new judges being appointed in Vietnam, this source said. Separately, HCMC contacts point to Binh as yet another southerner, like Dzung (though a Long An native who rose through the police ranks), taking up a key position in Hanoi.

¶ 18. (SBU) Hien himself was surprised to hear that he was to be replaced, as top leaders had earlier confirmed that he would be re-nominated despite his "uncontrolled remarks" about the quality of judges, according to this source. Another source in the NA's offices told us that Vietnam's current system puts the SPC Chief Justice "in the awkward position" of being responsible to the "common people's demands" and reporting to a Party-led National Assembly, which is part of the "Party-controlled political system." The courts, he averred, should be independent. Lack of judicial independence leads to distrust and contributes to the problem of repeated appeals of court rulings, he added. The selection of Binh, who hails from the Ministry of Public Security, as Chief Justice was a "Party-driven phenomenon," the two sources separately agreed.

Comment

¶ 19. (SBU) It is impossible to immediately analyze the significance of

these changes for Vietnam's future. There are plenty of old faces, including a good number who clearly in no way owe allegiance - or their positions -- to the Prime Minister. A couple of deeply corrupt and incompetent officials have moved on, others remain. Nonetheless, observers here are initially scoring this as a step ahead for PM Dzung. The two new deputy prime ministers owe their elevation to the Prime Minister, and are expected to be dynamic players.

¶10. (SBU) This cable was coordinated with Consulate Ho Chi Minh City.

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